



# Compensation Committee Presentation

**Strategic Planning and Finance Committees**

**July 25, 2001**

OCC 016523

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# Strategic Purpose

CareFirst

***"To Be A Leading Health Care Company Recognized for  
Excelling at Satisfying Customer Needs"***

- ☐ \$8 - \$11 Billion in Revenues
- ☐ Serving 4.2 - 6.1 Million Members
- ☐ Total Capital Base of \$1.5 - \$1.7 Billion
- ☐ Top Market Position in Key Consumer Segments
- ☐ Three Times the Relative Market Share of Next Competitor

***Seek a Strategic Partnership***

***Maintain Purchase Price of \$1.3 Billion***

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# Compensation Components

CareFirst

- ❑ Public Relations and Perceptions
- ❑ Existing, Earned and Contractual Benefits
  - Associate
  - Executive
- ❑ Critical Deal Points - Compensation
  - Retention Bonus
  - Associate Benefits
  - Merger Incentive and Excise Tax



## □ Goals

- Compensation and Benefit Plans that Pass Regulatory and Public Scrutiny
- Do Not Negatively Impact Associates
- Ensure Directors Can Stand Behind the Decisions Made



## Existing, Earned and Contractual Benefits

- Associate
- Key Management Associates - Non Contractual
- Executive

